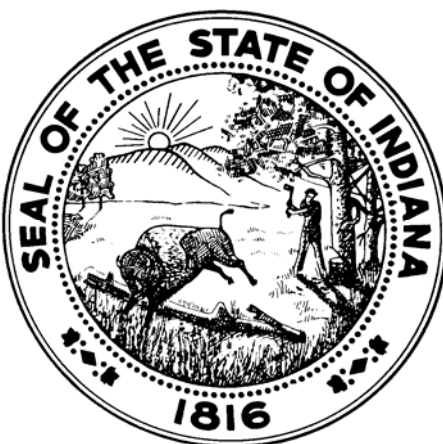


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

REVIEW REPORT  
OF  
INTEGRATED PUBLIC SAFETY COMMISSION  
STATE OF INDIANA  
July 1, 2002 to March 31, 2006



**FILED**  
7/27/06



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#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Acting Executive Director	David C. Smith	01-06-04 to 06-30-07
Executive Director	Lester C. Miller	07-01-02 to 01-05-04



# STATE OF INDIANA

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INTEGRATED PUBLIC SAFETY COMMISSION

We have reviewed the receipts, disbursements, and assets of the Integrated Public Safety Commission for the period of July 1, 2002 to March 31, 2006. The Integrated Public Safety Commission's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Integrated Public Safety Commission are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations (except as stated in the review comments).

STATE BOARD OF ACCOUNTS

April 27, 2006

INTEGRATED PUBLIC SAFETY COMMISSION  
REVIEW COMMENTS  
March 31, 2006

CONTRACT PAYMENT

During our review of the Integrated Public Safety Commission, we found that a payment was made to a contractor that was not in compliance with the contract terms.

Integrated Public Safety Commission obtained control over a contract originating from the State Police upon the formation of the agency in July 2002. The original contract between the State Police and the contractor was a one-year contract and a second year extension totaling \$951,000. In addition, the contract amendments for a third and fourth year extension were not approved. The total contract dollar amount was exhausted by August 2001.

The contractor was paid for additional invoices for service dates July 2002 to February 2003 totaling \$332,041.75, in excess of the original contractual amount.

Each agency, department, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

SEGREGATION OF DUTIES

During our review of Integrated Public Safety Commission's SDO advance, we found that there was no segregation of duties. The SDO officer performs all SDO duties without any review by another agency employee to verify the SDO advance is being properly handled.

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

SDO FUND

The Special Disbursing Officer Fund (SDO) does not reconcile to the amount advanced. Currently, the fund is \$919.13 more than the amount needed to balance to the advance.

At all times, the unreimbursed disbursements plus any advances to office cash or subsidiary checking accounts plus the SDO checking account balance must equal the local purchase advance. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

The Special Disbursing Officer is accountable at all times for all sums advanced. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

INTEGRATED PUBLIC SAFETY COMMISSION  
EXIT CONFERENCE

The contents of this report were discussed on June 5, 2006, with David C. Smith, Executive Director; Jeanne Corder, Controller of the Integrated Public Safety Commission. The official response has been made a part of this report and may be found on page 6.

The contents of this report were also discussed with Lester C. Miller, former Executive Director of the Integrated Public Safety Commission.



## Project Hoosier SAFE-T

Jeanne Corder, Comptroller

June 15, 2006

Dear Sir or Madam:

Please accept this letter in response to the findings in the Integrated Public Safety Commission Audit for the period 7/2002 through March 2006.

In the matter of payments being made on a contract after the time had elapsed, these payments were made after consultation with the State Budget Agency, the Office of the Governor and the Office of the Attorney General. The IPSC management understands that these payments were made outside the contract time frame and now has in place controls to prevent another like occurrence.

In the matter of the SDO reconciliations, IPSC management understands that additional controls and reconciliation processes are necessary and has taken steps to implement the changes required.

Sincerely,

Jeanne E. Corder  
Comptroller

Cc: David C. Smith

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